

RCW 79.100.170 Transfer of ownership of certain vessels—Marine insurance policy. (1) Any individual or company that purchases or otherwise receives a used vessel greater than thirty-five feet in length and more than forty years old must, prior to or concurrent with the transfer of ownership, secure a marine insurance policy consistent with this section. Proof of the marine insurance policy must be provided to:

(a) The transferor of the vessel upon purchase or other transfer; and

(b) If applicable, the department of licensing upon first-time registration or after the transfer of ownership, or the department of revenue upon the payment of any taxes.

(2) The transferor of a vessel greater than thirty-five feet in length and more than forty years old has an affirmative duty to ensure that any potential transferee has secured a marine insurance policy consistent with this section prior to or concurrent with the finalization of any sale or transfer. Nothing in this section prohibits the sale or other transfer of a vessel greater than thirty-five feet in length and more than forty years old to a transferee that fails to secure a marine insurance policy. However, a transferor that chooses to finalize a sale or other transfer with a transferee not in possession of a marine insurance policy assumes secondary liability for the vessel consistent with RCW 79.100.060 if the vessel is later abandoned by the transferee or becomes derelict prior to a subsequent ownership transfer.

(3) The marine insurance policy required under this section must be secured by the transferee prior to, or concurrent with, assuming ownership of a vessel greater than thirty-five feet in length and more than forty years old. The marine insurance policy must satisfy the following conditions:

(a) Have a term of at least twelve months following the transferee's assumption of vessel ownership;

(b) Provide coverage of an amount that is, unless otherwise provided by the department by rule, at least three hundred thousand dollars;

(c) Provide, unless otherwise provided by the department by rule, coverage for the removal of the vessel if it should sink and coverage should it cause a pollution event.

(4) The purchaser of marine insurance under this section may satisfy the requirements of this section through the purchase of multiple policies as necessary.

(5) The department may, by rule, provide for a purchaser of a vessel to also satisfy the insurance requirements of this section through the posting of adequate security with a financial institution.

(6) A person required to secure marine insurance or show proof of marine insurance under this section who either: (a) Fails to secure a marine insurance policy consistent with this section prior to or concurrent with the transfer of ownership, unless the vessel was sold consistent with RCW 79.100.150(2)(b); or (b) cancels a marine insurance policy consistent with this section prior to the end of the twelfth month of vessel ownership or to a subsequent transfer of ownership, whichever occurs first, without securing another marine insurance policy consistent with this section in its place, is guilty of a misdemeanor. The department may contact any vessel owner required by this section to have a marine insurance policy to ensure compliance with this section. [2020 c 324 § 4; 2014 c 195 § 101.]

Findings—2020 c 324: See note following RCW 79.100.160.

Findings—Intent—2014 c 195: "(1) The legislature finds that section 45, chapter 291, Laws of 2013 required the department of natural resources, in consultation with the department of ecology, to evaluate potential changes to laws and rules related to derelict and abandoned vessels that increase vessel owner responsibility and address challenges associated with the economics of removing vessels from the water.

(2) The legislature further finds that, during the 2013 legislative interim, the two responsible agencies engaged in a thorough process to satisfy their legislative charge. This process involved exhausting in-state expertise on various topics and reaching out to experts in vessel deconstruction, surety bonding, letters of credit, marine insurance, taxation, federal regulation, similar programs in other states, and more. The process also involved two open invitation public meetings.

(3) The legislature further finds that a significant number of various and competing options were discussed, analyzed, and ultimately dismissed during the process undertaken by the two agencies. It is the intent of the legislature to capture the recommendations for meeting the goals of increased vessel owner responsibility and addressing the challenges associated with the economics of removing vessels from the water that rose to the top from the process undertaken by the agencies.

(4) It is the further intent of the legislature that this act serve as the final report due by the department of natural resources under section 45, chapter 291, Laws of 2013." [2014 c 195 § 1.]

Findings—Intent—2014 c 195: See note following RCW 79.100.180.